

**Comments of**  
**The United Illuminating Company**

**Re:**

**Raised House Bill No. 6631**

**AN ACT CONCERNING ELECTRIC UTILITIES AND UTILITY  
TERMINATION**

**Before the Energy & Technology Committee**

**Legislative Office Building**

**March 10, 2009**

Good afternoon Senator Fonfara, Representative Nardello, members of the Energy and Technology Committee. My name is Michael A. Coretto – Senior Director – Regulatory Strategy & Retail Access for the United Illuminating Company. The United Illuminating Company (“UI” or the “Company”) submits these comments on proposed House Bill 6631 – AN ACT CONCERNING ELECTRIC UTILITIES AND UTILITY TERMINATION.

With respect to the Integrated Resource Plan (IRP), UI supports shifting to a biennial process. The IRP is intended for long-term planning, and procurement plans should be developed to meet the broad goals of the long-term plan. The biennial IRP should be robust enough to withstand short term fluctuations in market prices without constant reaction to short-term market events. The issue becomes one of long-term policy planning versus tactical implementation. Fuel price impacts should be addressed as one of the “what if” scenarios in the plan, with procurements yielding a robust portfolio of resources that will mitigate the impact of such changes and other exogenous factors. To conduct such a plan annually is unnecessary and requires substantial resources on the part of the electric distribution companies and the State.

UI opposes the proposed elimination of Section 5 (4)(A) . This section, which was enacted in 2003, provides for a procurement fee and possible incentive fee for the procurement of Transitional Standard Offer (TSO) service, from 2004 – 2006. First, the pertinent time period has already passed. It has been over two years since the end of the TSO period. Second, the purpose of the bill’s proposed change appears to be to take away

a fee that the electric distribution companies have already earned by retroactively eliminating it. To do so would constitute an unlawful taking. The regulatory process has been ongoing on the TSO incentive issue for several years. It should be allowed to run its course. To change the “rules of the game” now sends a very troubling message to the Company, customers and investors who all seek a stable environment in which the rules are known and not changed after the fact. The bill would create uncertainty for all parties as to which laws may be reconsidered and modified after the pertinent time period has elapsed.